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May 10, 1971

MEMORANDUM OF CONVERSATION

PARTICIPANTS: The President
M. M. Ahmad, Economic Advisor to the President of Pakistan
Agha Hilaly, Ambassador of Pakistan
Harold H. Saunders, NSC Staff

DATE AND PLACE: 4:45 p.m. to 5:20 p.m. Monday, May 10, 1971,
in the President's Oval Office

The President opened the conversation by expressing sympathy for all that Pakistan had been through in recent days. He noted that President Yahya is a good friend and he could understand the anguish of the decisions which he had had to make.

Mr. Ahmad replied with President Yahya's appreciation for the stance that the President had taken. He realized the fact that the President had been surrounded by a "hostile press." He also understood the pressures that had built up in the Congress.

The President smiled and acknowledged that there were a number of critics who felt that the US should become heavily involved in telling Pakistan how to work out its political difficulties. He said that the US is not going to become involved in that way. It is wrong, he concluded, to assume that the US should go around telling other countries how to arrange their political affairs.

Mr. Ahmad then launched into a brief discussion of how recent developments in East Pakistan had come about, what the situation is now and how President Yahya plans to proceed. He said that President Yahya wanted very much to have President Nixon know what his plans were before they were made public.

Mr. Ahmad said that President Yahya had made every effort to negotiate a political arrangement with East Pakistani leaders. He had made it clear from the start that he was willing to grant virtual autonomy within the framework of "one country." He had told Mujibur Rahman that he should not come to a soldier--Yahya--and ask him to split the country, that if he wanted to do that he should try to do it through the constituent

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assembly. President Yahya had granted the virtual autonomy described in the "six points" of the Awami League, but it became apparent that Mujib was negotiating for independence and not just for autonomy.

Now, President Yahya planned to create a provincial assembly around the representatives elected last December. He did not intend to hold fresh elections; he would consider the December elections valid. He would be prepared to proclaim an interim constitution which would contain almost all that had been asked for in the Awami League's "six points."

Mr. Ahmad noted that the objectives of President Yahya were first to restore law and order--a process which has now almost been completed. His next objective was to restore civil administration. Then it would be necessary for the Indians to cease assisting insurgents so that the border areas might be quieted. Pakistan would welcome anything the US could do to influence the Indians in that direction.

If that kind of framework could be established, Mr. Ahmad continued, then it would be possible to begin the rural works programs again to put enough money into peoples' hands to buy food. The food problem is not one of supply, however, since there is enough food for the moment in East Pakistan. Pakistan will need more later in the year, but that is not the problem now. The problem is that the communications system--the roads and railroads--had been disrupted.

Speaking of the food situation, Mr. Ahmad said that Pakistan is quite willing to accept contributions from the international relief organizations and would welcome the support of the United Nations in collecting contributions. President Yahya, however, wanted their participation to stop at that point. President Yahya felt that since the army had been forced to take firm measures in restoring law and order, it should now be involved in the duty of distributing food. Ambassador Hilaly added that President Yahya did not want all the voluntary agencies "flocking in" with all of the unfavorable publicity and criticism that had followed the cyclone disaster last fall.

The President acknowledged the Ambassador's point and then asked about the rural works program. Mr. Ahmad explained that this was a program that had been developed using US counterpart funds. When the President looked puzzled, Mr. Saunders stated that the proceeds from past PL 480 food sale programs had been devoted to a program of rural works to enable

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the East Pakistani government to develop irrigation, roads and other rural programs, using the currency that came from the sale of the food. The President said that he wanted to be sure that everything was done in this regard that was possible.

The President then came back to the question of the critics who wanted the US to have some policy other than supporting the present government of Pakistan. He said the question he always asks himself is what the alternative is. He implied that he did not see any alternative to working with the present government to help it do the best it could with the situation. Then he asked Mr. Ahmad and Ambassador Hilaly what they felt the alternative to the present government was. They stated that, if the present government were to fall, there would be chaos. In East Pakistan, for example, the army can not even be pulled out without the expectation of large number of killings by Bengalis directed at the non-Bengali population. Moreover, the economic problems of East Pakistan--the high ratio of population to land--left East Pakistan with tremendous problems which it was not prepared to attack by itself.

Ambassador Hilaly noted that it was essential for the army to remain in the wings. Moreover, he felt that in a united country, East and West balanced each other. The moderates in West Pakistan would offset the extremists in the East and vice versa. He thought it unlikely that the radicals in both West and East would come together and form a majority.

The President said that we wanted to stay out of the political negotiations and to do what we could to help within the limits of our law. He noted that attitudes in Congress had to be taken into account and could restrict our ability to help. He also stated that he was not familiar with the intricacies of all of the economic programs we have in Pakistan, with the implication that he was not addressing any particular solution or proposal in making this statement. But, he said, we would not do anything to complicate the situation for President Yahya or to embarrass him. He asked Mr. Saunders to be sure those who would be talking to Mr. Ahmad understood his views.

The President then asked about the ability of the World Bank to help. He understood that the Bank itself did not have a great deal of money to devote to Pakistan. He asked how helpful it could be. Mr. Ahmad explained that the Bank problem was partly the problem of other aid donors in the World Bank consortium. In response to a question from the President, Mr. Saunders noted that other governments--to varying degrees--are subject to pressures

not to provide further development aid until they judge there is a viable political framework. The President asked who the principal members were and was told that the British, Germans and Japanese were--along with the US--the leading members. Ambassador Hilaly noted from his days as Ambassador in London that Sir Alec Douglas-Home understood the back-ground in South Asia better than Prime Minister Heath. The President said he wanted to be sure the Bank understood that we feel strongly that it and the other aid donors should do what they could to be helpful. He said to Mr. Saunders that he thought "we had done this yesterday." The President asked that a paper be given to him on this subject.

Mr. Ahmad mentioned briefly the programs which he had been working on with the World Bank for the rescheduling of debt and the need for some support in the current situation, but he did not go into detail about the specific programs he would be discussing. Nor did he present any specific proposals to the President.

The President then asked whom Mr. Ahmad would be meeting during his stay in Washington and was told that Mr. Ahmad would see Mr. Schweitzer of the IMF, Mr. Cargill and perhaps Mr. McNamara of the World Bank, Dr. Hannah, Secretary Hardin. He was told that Secretary Rogers had not had a chance to sort out his schedule for the week since returning from the Middle East but that Mr. Ahmad would certainly be seeing someone in the State Department as well.

In parting, Ambassador Hilaly noted that former President Ayub of Pakistan had been operated on in open heart surgery earlier in the day and the report was of a successful operation. The President concluded, as he was seeing his guests out the door, that he wished that some of the marvelous things that were done by modern surgery could be performed on nations as well.

Harold H. Saunders